certain lines. It seems very likely that representations will be made to the Tariff Board on this matter.

The chemical agreements are considered by the industry to be about as good as could have been hoped for, and it is expected that they will enable the British manufacturer to take a greater proportion of the Canadian market than formerly.

2. The rest of the Empire. In the various inter-Empire agreements Australia should benefit, among other things, in wheat and meat; New Zealand in meat; India in wheat, rice, oils and coffee; South Africa in wines and tobacco; Southern Rhodesia in tobacco and coffee; and Newfoundland in fish and minerals. It is, however, too early to estimate fully the benefits of these preferences to all the different parts of the Empire

C. EFFECT ON NEGOTIATIONS WITH THE "WORLD OUTSIDE"

In considering what reactions the Ottawa Conference agreements will create in foreign countries, the following questions have to be answered:- 1. Will the Conference produce a desire for reciprocal agreements by foreign countries? 2. If so, will the attainment of these agreements be hindered by the Conference agreements? 3. Will the Conference cause foreign countries to set up retaliatory tariffs?

Particular interest, of course, attaches to the position of the United States, partly because as the chief creditor nation of the world her tariff policy is of the utmost importance, and also because of her close connection with Canada's trade. Attention will also be paid to such countries as Argentina and the Scandinavian group, who are among Great Britain's most important customers and who are seriously affected by the Conference agreements.

There is little doubt that there are many countries which wish to enter into reciprocal agreements with either the United Kingdom, Canada or other parts of the Empire. Great Britain is at the moment discussing, or on the verge of discussion, negotiations with twenty foreign countries, and the new administration in the United States has given indications of its leanings towards freer trade. Moreover, the agenda for the forthcoming World Economic Conference contains the following subjects for discussion under the heading "Tariff and treaty policy". (1) Cessation of tariff increases; (2) Reduction of tariffs; (3) Special aspects of the tariff problem; (4) Method of procedure.

The next point then is to determine to what extent the Empire countries will be free under the terms of the Ottawa agreements to negotiate with foreign countries. All the inter-Empire agreements contain important elements of rigidity; they are in the main to last for five years; Great Britain has agreed to maintain a fixed rate of preference on certain important goods; Canada has given the same undertaking on a list of 223 commodities; and almost all the other inter-Empire agreements contain similar provisions which are fairly wide in scope. In the case of the United Kingdom agreement with Canada, there is here a source of a difference of opinion, for the British government hold they are only bound to maintain the preference on the goods specified in Schedule "C" (lumber, various types of fish, asbestos, zinc and lead) whereas the Canadian government feel that a reduction of the British tariff on any foreign goods whatsoever would be a breach of the principle set out in the following section of the agreement:-